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CONGRESSIONAL RECORD — APPENDIX

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advocates of a virtual collapse in Waldbaum's business.

And finally the third article describes a cash-or-trading stamps plan initiated by a Denver chain, Thrift-Way Food Markets. On June 14, this chain will start offering its customers a choice of stamps or a 3 percent discount on purchases. This chain is to be commended for taking this progressive step. The philosophy underlying their decision; namely, to allow the consumer to exercise his freedom of choice, is precisely what I have recommended in the truth-in-trading stamp bill which I recently introduced in the Congress.

Mr. Speaker, I would like to include these articles in the RECORD today:

[Supermarket News, Monday, June 12, 1967]
PUBLISHER PREDICTS 30 PERCENT DECLINE IN
USE OF TRADING STAMPS

CHICAGO.—A decline of up to 30 percent in the use of trading stamps in 1968 was predicted by Lawrence W. Bell, publisher of Premium Practice magazine, in an address prepared for delivery yesterday at a meeting of National Premium Sales Executives here.

He said in his speech the drop in stamp use would be accompanied by widespread but short-lived food discounting.

Saying that "discount pricing for any sustained period is pure fiction," Mr. Bell predicted a need for new types of traffic building premium promotions for retailers which drop stamps and then find discounting can not support profitable operations.

Mr. Bell has been closely associated with the stamp field for many years and was a founder of Trading Stamp Institute of America.

Mr. Bell cited the cash-register-tape redemption plan as an old technique likely to come back. The tape plan offers premiums in return for register tapes.

WALDBAUM 16-WEEK NET UP 57 PERCENT,
SALES RISE 18 PERCENT
(By Kevin M. Saviola)

NEW YORK.—For the first 16 weeks of 1967, Waldbaum had earnings of \$550,000, up 57 per cent, on sales of \$56,550,000, up 18 per cent, Ira Waldbaum, president of the chain, told a group of security analysts here Thursday.

On the basis of these figures, Mr. Waldbaum predicted that the Garden City-headquartered chain "will have sales of \$190 million and earnings equal to 1 per cent of that figure for 1967." The company had earnings of \$1,063,155 on sales of \$165,075,000 for 1966.

With the financial picture looking so good, the company has decided to move into the New Jersey market area. "We will have three firm deal to build in New Jersey within the next three months," Mr. Waldbaum said.

Waldbaum, with 77 stores concentrated mainly on Long Island and in New York City, now has "two sites under option and three in the course of negotiation in Bergen County, New Jersey," Mr. Waldbaum added.

The move is the first in an aggressive building and expansion program contemplated by the chain.

Because last year was a good one financially, and "because of good cash flow, we are more aggressively looking for locations and acquisitions," Mr. Waldbaum noted. One problem for the chain is whether to own or lease stores.

But the problem is not money. "We would like to open seven to 10 stores a year, but this is dependent on the availability of locations, not on money," according to Mr. Waldbaum. Besides the New Jersey locations, the chain has six sites on Long Island's Suffolk County under consideration.

The chain also has a continuous program

of remodeling. Presently, three stores are being renovated.

With regard to merchandising, the chain is beginning to equate bigness with profitability. On the basis of experience with a 28,000 square foot store on the north shore of Suffolk County, Mr. Waldbaum said that "we found that with more space we are able to stock more lines, and this seems to give the store more consumer appeal."

With more space, the firm is able to provide enlarged toiletries and drug sections and more nonfoods, housewares, plastic goods and garden supplies, which "contribute to a larger gross profit," according to Mr. Waldbaum.

The chain's private label baked goods line, supplied by Horn & Hardart, has had "exceptionally good movement," and the private label grocery line "now accounts for 20 per cent of the grocery volume and is continually growing," Mr. Waldbaum noted.

Mr. Waldbaum feels that "local chains will do better as time goes on because they have a feel for the individual consumer."

And it is among local chains that Waldbaum finds its stiffest competition. "Hills-Korvette, Shop-Rite and Big Apple are the most competitive in our trading area," stated Mr. Waldbaum. "Our price structure is 'rather similar' to Big Apple's," he added.

In an attempt to keep prices in line with the competition, the chain has moved to palletization of its store deliveries. There are electric forklifts in 15 stores, and "65 to 70 per cent of the stores can receive palletized loads," noted Mr. Waldbaum.

With this and other economies, he hopes that the chain will achieve "a 2 per cent pre-tax profit in the next two years."

The listing of Waldbaum stock on either the New York or American Stock exchange is "under consideration by the chain," Mr. Waldbaum said.

STAMPS OR CASH THRIFT-WAY DEAL

DENVER.—The competitive situation, hyped last week by two game introductions and anti-game advertising, is due to get another injection this week by the appearance on the scene of a cash-or-trading stamps plan.

Thrift-Way Food Markets will start offering customers a choice of stamps or a 3 per cent discount on purchases Wednesday.

Ads blasting games, stamps and gimmicks were run here last week following the introduction of television race games by King Soopers and Miller's.

King Soopers, division of J. S. Dillon & Sons Stores Co. and Miller's division of National Tea Co., introduced Let's Go to the Races and Post Time, respectively.

The games were attacked by local housewives' group leaders.

Mrs. Paul West, president of the United National Consumers Association, and Mrs. Gerald Blessinger, chairman of the Denver Housewives for Lower Food Prices, said they are receiving "hundreds of calls" from housewives on the games and are advising them not to shop in stores which run the campaigns.

Furr's Big Value Discount said in its ad last week, "You've protested costly promotions and games . . . show your approval at Furr's Big Value Discount checkstands. Furr's has no games or stamps." The protests refer to boycotts staged in Denver last fall. K-Mart Discount Foods, operated by Allied Supermarkets, Detroit, in K-Mart discount centers, ran an ad saying, "No games, no gimmicks, means low prices every day."

The 28 Thrift-Way Food Markets are members of Associated Grocers of Colorado co-op.

John C. Sullard, president of the Thrift-Way group, said under the new cash-or-stamps program, Thrift-Way shoppers may choose either Mor-Value trading stamps or a 3 per cent Thrift-Check savings plan.

If the plan is chosen, the customer is given a special envelope in which to save her Thrift-Way register tapes. When \$150 worth of tapes have been accumulated, she may exchange them for a 3 per cent Thrift-Check, good for \$4.50 in cash or merchandise at any Thrift-Way store.

Mr. Sullard said the 3 per cent Thrift-Way check gives the customer "considerably more than the amount merchants normally pay for stamps."

He said the plan was worked out after a number of meetings with housewives revealed that many would prefer a cash discount rather than stamps. "Now we're offering a choice," he said.

George Welch, president of Apollo Thrift-Way, a member of the co-op, said it had offered a choice of stamps or cash previously at its Boulder, Col., unit with excellent response.

He said the new plan was not designed to combat games that have reappeared in the Denver market since the program was drawn up some time before the present games were made known.

Mrs. West and Mrs. Blessinger said they are pointing out that the games are bound to boost prices.

"Supermarket people themselves, last fall said games contributed to higher food prices, and dropped them to cut prices. Therefore, we were very surprised to see games come back," Mrs. West said.

"Reports are that the supermarkets have not gained back the volume lost last fall, so this looks like a move to bring in more business," Mrs. Blessinger said. "If the games pull in the volume at the two stores, all of the stores will start them."

About the CIA

EXTENSION OF REMARKS OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1967

Mr. MULTER. Mr. Speaker, the Central Intelligence Agency has, for a long time, been a weapon for fighting the threat of communism.

Thomas W. Braden, writing for the Saturday Evening Post, has dealt with the history of the International Organization Division of the CIA and the devices it has used to combat the threat of communism.

Mr. Speaker, I commend to the attention of our colleagues this most informative article which appeared in the May 20, 1967, edition of the Saturday Evening Post:

I'M GLAD THE CIA IS "IMMORAL"

(By Thomas W. Braden)

On the desk in front of me as I write these lines is a creased and faded yellow paper. It bears the following inscription in pencil:

"Received from Warren G. Haskins, \$15,000. (signed) Norris A. Grambo."

I went in search of this paper on the day the newspapers disclosed the "scandal" of

Former president of California's Board of Education, trustee of California State Colleges and candidate for lieutenant governor, the author is editor and publisher of the Blade-Tribune at Oceanside, Calif. During World War II, he served with both the British infantry and with the OSS as a parachutist.